

THE EFFECT OF DIGITALIZATION PERCEPTION OF HR MANAGER AND EMPLOYEE IN AUTOMOTIVE INDUSTRY

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ABSTRACT

Due to rapid growth of management activities there is no little chance for argument of the nation that people are one of the key assets focuses on the success or failure of an organization and hence the importance of the knowledge skill, attitude and behavior of those people for the betterment of the organization. People are the key assets that are capable of growth and development. The people are nothing but human resource, during the past 3 decades organizations have begun to embrace a “human asset approach” one that consider the money spent on integration with innovation in the workforce as an investment. As with any asset, by nurturing, protecting, and growing this investment, organizations that align workforce strategies with business goals and objectives will benefit from capturing and focusing the attention of workforce.

After analyzing several theoretical perspective from different discipline such as organizational psychology, strategic management, strategic human resource management, organizational behaviour, industrial psychology, global human resource management this research developed a perception based approach to examine the challenges and possibilities that employees’ perceptions will be associated with the organizational changes. Specifically this research examined the perceptions of employees on e-HRM practices in an organization.

This research address two major research questions relevant to organizational change management. What perceptions influence employees to resist to change and support to change?

KEYWORDS: Digitalization Perception, Hr Manager & Employee

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INTRODUCTION

The beginning point of this research is the challenge of managing technological change in HR management in organization. Implementation of e- HRM is problematic and situations in which changes undertaken are shifting from conventional method of HR management to e- HRM practices. This is harder for organization and particularly HR managers as well as employees. Here managers are the change agents to prepare for manage the changes in a ways that satisfy the demands of organization and employees.

How do organizations decide about making structured or unstructured technical changes in HR management? How to cope up with the resistance to change? It’s not the newest thing about changes in HR practices this increase the attention from researchers and practitioner of HR management. This research focused on understanding the challenges and perception of HR managers and employees regarding e-HRM practices in an organization.

The information technology has been developed and advanced over a time. India is one among the several developing countries of the continent which has proven its potential for IT and Industrial innovations. Therefore, given the situation of competitive market forces several organizations are endeavouring towards development and demonstrate their visions in an effective manner as their well-marked foot prints for the development of the generations to experience. Due to rapid growth of technology and innovation in electronic management system it has become a necessary to create efficient and effective communication strategies and relationship as a versatile component of Human capital and human resource (asset) management. The most significant function of every organization belongs to human resource management function. This consists of most useful intellectual skills.

From last two decades organizations are not only leveraging technology to support the function of human resource department, but they are also leveraging the human capital technologies for use of everyone in business. Consequently human resource as a function has evolved into human capital management. Whereas HR was the responsibility of a centralized or some time de centralized department.

After analyzing several theoretical perspective from different discipline such as organizational psychology, strategic management, strategic human resource management, organizational behaviour, industrial psychology, global human resource management this research developed a perception based approach to examine the challenges and possibilities that employees' perceptions will be associated with the organizational changes. Specifically this research examined the perceptions of employees on e-HRM practices in an organization.

This research addresses two major research questions relevant to organizational change management. What perceptions influence employees to resist to change and support to change?

Employees' Reactions to Change

Table 1

		Active	
Active Resistance to Change		Active Support for Change	
<div> Opposing a change Arguing against a change Objecting a change </div>		<div> Embracing a change Cooperating with the firm Giving support for a change </div>	
Discontent			Contentment
Passive Resistance to Change		Passive Support for Change	
<div> Withdrawing support Ignoring a change </div>		<div> Agreeing to a change Accepting a change Complying with a change </div>	
		Passive	

Table Drivers of E-HRM

Table 2

Mode of E-HRM	Application
Operational E-HRM	This type of e-HRM is concerned with Administrative functions like salary management, payroll, employee personal data
Relational E-HRM	This type of e-HRM is concerned Supportive business process, activity like recruitment, training performance management,
Transformational E-HRM	Strategic HR activities like knowledge management, strategic re-orientation

(Source- Indian journal of applied research volume 5, issue 2, Feb 2015. ISSN-2249-555x)

In India the problem is that most of the HR departments aren't equipped to handle this. Most HR software available today look at goals, performance appraisal, careers, working your way up and training programs. But in India HR people are seeking answers to adopt and reward people better and deal with this new digital kind of organization. Indian companies are ahead in the automation piece and companies have taken this seriously. There's a culture in India of adopting the technology. India is behind using automated process for strategic decisions.

LITERATURE REVIEW

DeSanctis (1986), author revealed that the modern technology encouraging the organization to utilize human resource information is proper way. HRIS is perceived to contribute to the effective activities of man power in an organization. The study focused on two HRIS managers in the hospitality industry in greater region (GHANA) to find out the benefits and challenges for HRIS. It has revealed that HRIS identified unfilled positions, accurately analyzed each job position and its job title in the organization, providing insight into organizational training needs, selected the right persons to be trained at the right time, evaluated the effectiveness of training programs and made faster and better decisions about successor ranking. Also said Organizations need to integrate HRIS with other organizational systems to facilitate speedily sharing of information and decision making.

Lepak et al., (1998) "*Virtual HR: Strategic Human Resource Management in the 21st Century*" the researchers suggested that the Majority of organizations have been throwing light on replacement face to face Human resource management activities with new electronic human resource management. HR activities required dynamic with operational capabilities to contribute for effectiveness of e-HRM. People need to understand e-HRM comprehensively and systematically regarding introduction of e-HRM, types of e-HRM, role of e-HRM and factors influencing on e-HRM.

Wyatt (2002) "*The Net Effect: e-HR and the Internet*" in this research article authors conducted a survey on issues of HR and technology and revealed that a wide verity of HR and payroll system are being used today. The study also revealed web technology was the predominant method for delivering HR-related services to employees and managers, and offers significant opportunities to improve communication, knowledge sharing and HR delivery systems

Paauwe et al., (2005) "web based organizing in motor companies: The impact on HR ' in e-Human resource management: managing knowledge people" the researcher argued that " the human resource management is subjected to rapid and dynamic change because of integration of web based technology" the e-HRM is an administrative support in HR function by using internet technology.

Voermans et al., (2007) “*Attitude towards E-HRM: an empirical study at Philips*” researcher found that there was a positive attitude towards e-HRM from Managers and employees. The study was conducted on attitude towards e-HRM utilizes an online questionnaire. Survey conducted for 257 employees and 99 managers in Philips electronics Netherland. Researcher found that difference in perception about current IT systems as well as HR roles strategic partners.

OBJECTIVES OF THE STUDY

- To study the E-HRM practices in automotive Industry.
- To explore the perception of HR executives on E-HRM practices in automotive industry.
- To explore the perception of employees relating to E-HRM implementation

Need for the Study

The primary need of this study is to give attention to present human resources management practices with application of ICT, in general the most important question of a research often provides information about the overall purpose of the research. Although the purpose is not stable always and can change over time. Since three decades every organization experiencing volatile economic world and faced aggressive global competition, every organizations are force to keep pace with innovative developments in order to survive.

Hypothesis

HR Managers

H0: There is no significant difference on perception of HR executives towards E-HRM practices.

H1: There is a significant difference on perception of HR executives towards E-HRM practices

Employees

H0: There is no significant difference on perception of employees towards E-HRM practices

H1: There is a significant difference on perception of employees towards E-HRM practices

Research Methodology

For this study primary data is used by the structured questionnaire for HR managers and employees in automotive industry. The selection of respondents is done through purposive sampling technique. Purpose of sampling is used as per certain information with specific type of respondents and sample size was 127 with response rate remained 78%.

Data Analysis, Presentation and Discussion

Table 3: Gender Wise Distribution

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	52	40.9	40.9	40.9
	Male	75	59.1	59.1	100.0
	Total	127	100.0	100.0	

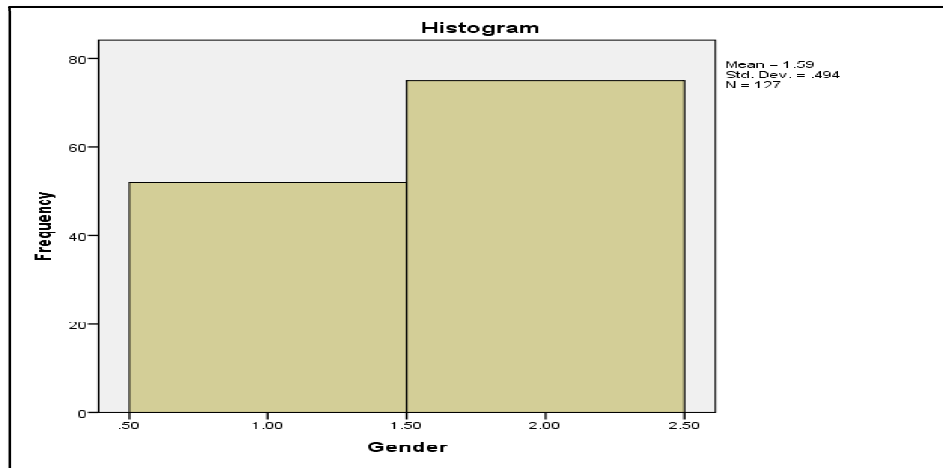


Figure 1

From the above table reveals that most of the respondents belongs to male I.e. 59% and female respondents were 41%. These respondents belongs to automotive industry in Bangalore and Mysore.

Table 4: Age Wise Distribution

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	48	37.8	37.8	37.8
	31-40	39	30.7	30.7	68.5
	41-50	24	18.9	18.9	87.4
	over 50	16	12.6	12.6	100.0
Total		127	100.0	100.0	

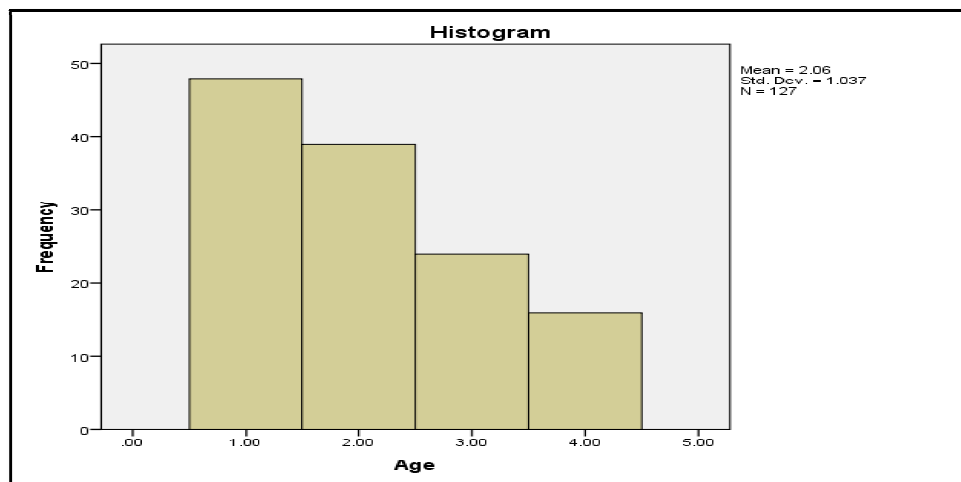


Figure 2

Above table and graph shows that 127 respondents are considered as sample size. In this frequency distribution majority respondents belongs to 20 to 30 years of age I.e 37% and followed by 31 to 40, 41 to 50 and above 50 years of age I.e 31%, 19% and 13% respectively.

Table 5: Designation Wise Distribution

Designation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HR Manager	37	29.1	29.1	29.1
	Employee	90	70.9	70.9	100.0
	Total	127	100.0	100.0	

From the above table shows that 71% of respondents belongs to employees of automotive industry. 29% of respondents belongs to HR manages.

Reliability Test

Before analysis of the data collected through questionnaires it is necessary to measure the internal consistency and stability of the constructs. Therefore, reliability test is conducted using SPSS. The rule of thumb of labelling Cronbach Alpha coefficient by *Samouel and Babin (2003)* was shown in the below table.

Table 6: Cronbach's Reliability Test

No	Constructs	Coefficient Alpha	No. of Items	Reliability Level
1	Gender	0.739	10	Good
2	Age	0.711	10	Good
3	Designation	0.732	10	Good
4	Educational qualification	0.717	10	Good
5	Organizational policy	0.637	2	Fair
6	infrastructure	0.807	2	Very good
7	perception	0.894	2	Very good
8	outcome	0.812	3	Very good

From the above table it is concluded that the reliability coefficient attained by all constructs is satisfactory as they are above 0.60. This shows the consistency and stability of the questionnaires.

Table 7: Central Tendencies of Construct: HR Manager and Employees with Organizational Policy, Infrastructure and Attitude of HR and Employees

S. No		Mean	SD
1	HR attitude towards implementation of E-HRM is not favorable	1.4865	0.96
2	Employee attitude towards implementation of E-HRM is not favorable	1.3514	0.85
3	Organization Commitment towards implementation of E-HRM	1.3514	0.48
4	lack of IT infrastructure to implement E-HRM	1.3243	0.74
5	E-HRM reduces time while preparation of job description and specification	1.2432	0.43
6	E-recruitment process is easy to match the candidate with vacant position	1.2432	0.43
7	Organization not providing regular training foe employees to cope up with transition to E-HRM	1.2342	0.49
8	Org has a clear vision to implement E-HRM	1.2162	0.41
9	E-HRM is barrier for open communication	1.2162	0.41

Based on the above table HR manager attitude towards implementation of E-HRM is not favorable with a mean value 1.4865 and SD 0.96, and employees also not willing to work under E-HRM with calculated mean value 1.3514 and SD 0.85. Further respondents gave neutral response about organizational policy, infrastructure and outcome of E-HRM in different departments. Nul hypothesis gets rejected or not accepted. It can be stated that there is negative perception among

HR managers and employees about implementation of E-HRM.

Table 8: Central Tendencies of Construct: Gender with Organizational Policy, Infrastructure and Attitude of HR and Employees

S. No		Mean	SD
1	HR attitude towards implementation of E-HRM is not favorable	1.5591	1.07
2	Employee attitude towards implementation of E-HRM is not favorable	1.4882	1.00
3	Organization not providing regular training foe employees to cope up with transition to E-HRM	1.4016	0.88
4	lack of IT infrastructure to implement E-HRM	1.4094	0.92
5	Organization Commitment towards implementation of E-HRM	1.3071	0.52
6	E-HRM reduces time while preparation of job description and specification	1.2598	0.47
7	E-recruitment process is easy to match the candidate with vacant position	1.2441	0.44
8	E-HRM is barrier for open communication	1.2205	0.43
9	Org has a clear vision to implement E-HRM	1.2047	0.40

Based on the above table HR manager and employees attitude towards implementation of E-HRM is not favorable with a mean value **1.5591** and SD **1.07**, and mean **1.4882** SD **1.00** respectively. Further respondents gave neutral response about organizational policy, infrastructure and outcome of E-HRM in different departments. It can be stated that there is difference in perception among male and female regarding E-HRM practices in industry.

FINDINGS

- As per this study HR managers are not willing to implement digital technology in HRM practices. This may remove the role of HR managers slowly from the conventional method of HRM practices. On the other hand western countries focusing on artificial intelligence. This artificial intelligence leads to rapid reduction of Human presence in the industry.
- This study found that employees also not willing to work under digital HR management. This may lead to increase the gap between employees and management. In every industry there is much scope for employee and employer relationship manager. Once digitalisation entered into HR management this will remove the relationship between employer and employee.
- In this research reveals that organizational policy is focusing on digitalization but there is a lack of infrastructure and training to employees to handle the systems for daily HR Process.

CONCLUSIONS

The development of the country is evaluated by how happy people are in a country. Since digitalization spreading like wave in every field of activity Human resource management also not an exceptional one in this world. The technological innovation focusing on artificial intelligence in manufacturing industry to replace the human activity. But this is not a suitable one for a country like India, which have huge human resource. This digitalization remove the human relations in industry. This leads to concentration of policies only towards production. This shows repetition of production era before the Second World War. This study found that employees and HR managers are not willing to implement

electronic human resource management in industry. Technology in production is acceptable by every human in industry, but in the case of human resource management there must be an emotional balancing method of management and to create a good relationship between management and employees. Happy workers are productive workers and happy people country is developed country.

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